HOUSE RESEARCH =

Bill Summary =

FILE NUMBER: H.F. 3658 **DATE:** March 22, 2010

Version: As amended by the H3658A1 amendment

Authors: Haws and others

Subject: Providing a sales tax exemption for construction of a regional wastewater

treatment facility

Analyst: Pat Dalton, 651-296-7434

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

The bill provides a sales tax exemption for construction of a regional wastewater treatment facility in the St. Cloud area. The tax is paid upfront and then refunded. The corporate income tax is modified by disallowing deductions for real estate investment trusts (REIT) to offset the cost of this exemption.

Section

- Dividends received from another corporation. Disallows the deduction of dividends from a real estate investment trust (REIT) if not considered a dividend under the Internal Revenue Code. Effective beginning with taxable years starting after December 31, 2009.
- Construction materials, wastewater treatment facility. Provides a sales tax exemption for construction of a wastewater treatment facility to serve the cities of St. Cloud, Waite Park, Sauk Rapids, Sartell, St. Joseph, and St. Augusta. The tax is paid at the time of purchase and refunded as provided in section 3. Effective beginning with purchases made after January 1, 2010.
- **Refund; eligible persons.** Requires that the governmental entity that owns or contracts for the regional wastewater treatment facility apply for the refund. Effective beginning with purchases made after January 1, 2010.
- **Application.** Requires contractors and subcontractors to provide the governmental entity with information on taxes paid, necessary for the application for the refund. Effective beginning with purchases made after January 1, 2010.